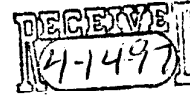


## FAIRFIELD INDUSTRIES

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April 9, 1997

### VIA FEDERAL EXPRESS

Department of Interior  
Minerals Management Service  
Mail Stop 4700  
381 Elden Street  
Herndon, Virginia 20170-4817

Attention: John V. Mirabella

Re: Proposed Rule - 30CFR251 - G&G Exploration

Dear Mr. Mirabella

The following comments are submitted on behalf of Fairfield Industries Inc. Fairfield is a minority owned geophysical company currently conducting multi-client non-exclusive 3D seismic surveys in the Gulf of Mexico. Our primary business is licensing this data to the exploration industry and the proposed rules would have a major impact on our core enterprise. The proposed rules if implemented would have a definite adverse effect on our company and our industry.

It is difficult to ascertain what are substantive changes or whether verbiage is supposedly being put into "plain English" while reading the proposed rules. The end results are the same - the new rules impose restrictions or require new reporting requirements which would place Fairfield at a economic disadvantage.

Indeed it is not clear why the proposed rule changes are necessary. Fairfield is extremely disheartened that the MMS has proposed new rules without even a preliminary discussion with industry representatives. Over the years our industry through the IAGC, API, NOIA and IPAA has worked closely with the MMS and we thought a good working relationship existed. This assumption was evidently in error.

Specific problems with the proposed rules include (but are not limited to):

1. The "clarification" of the terms "Transfer" and "Third Party" is nothing more than a method by which the MMS can access data directly from oil companies which may have licensed data from contractors. This would force every geophysical company currently providing seismic data to industry to renegotiate and rewrite License Agreements. There are at least 12 different geophysical companies in this position each with at least 100 oil company clients. The paperwork burden would be enormous and delivery of 3D data would cease while this is underway. Needless to say, the availability of 3D seismic data is critical to the success of OCS Lease offerings.

2. Another proposed change would force Licensees of seismic data to assume the obligations of a permittee (including penalties). Again, the same onerous burdens would be placed upon our industry to rewrite all License Agreements.

3. The requirement to divulge data Licensees to the Regional Director will amount to another tremendous paperwork burden as well as place our competitive situation at risk. The confidentiality of our clients must be maintained for our company to remain competitive. This information is extremely sensitive and commercial in nature and no assurances of confidentiality have been made by the MMS.

4. The requirement forcing permittees to consult with other users of the OCS has several problems. The location of seismic surveys is very competitive and confidential. This rule could force our company to divulge information to competitors, which needless to say would not place us in a good position. Regarding consultation with users of the OCS, why are we forced to consult and coordinate with them if they are not required to reciprocate?

There are many details and other problems which need to be addressed. The proposed rules are bad for our industry and need to be reconsidered. We will request a meeting with the MMS through our participation with the IAGC, IPAA and NOIA.

Sincerely,



Marc A. Lawrence  
Sr. Vice President

MAL/ldt